THE PRESIDENT'S MESSAGE.

Advises Congress Not to Take Action Toward Freeing Cuba.

REVISION OF THE CURRENCY

Notes Redeemed in Gold Should Only Be Paid Out for Gold

THE ANNEXATION OF HAWAII

Prompt and Favorable Action Upon the Treaty is Recommended-Just Provisions for Self-Rule in Local Matters Will Be Accorded the Hawaiians-Hope that the Monetary Commission Will Eventually Secure an International Agreement Recognizing Gold and Silver.

To the Senate and House of Representa-

tives: It gives me pleasure to extend greeting to the Fifty-fifth Congress, assembled in regular session at the seat of Government. with many of whose Senators and Repr sentatives I have been associated in the legislative service. Their meeting occurs under felicitous conditions, justifying sincere congratulation and calling for our grate ful acknowledgment to a beneficent Providence which las so signally blessed and prospered us as a nation. Peace and good will with all the nations of the earth

A matter of genuine satisfaction is the growing feeling of fraternal regard and unification of all sections of our country, the incompleteness of which has too long delayed realization of the highest blessings of the Union. The spirit of patriotism is universal and is ever increasing in fervor The public questions which now most engross us are lifted far above either partisan simp, prejudice or former sectional differ ences. They affectivery part of our commo country alike and permit of no division of ancient lines. Questions of foreign policy. of revenue, the soundness of the currency the involability of national obligations, the improvement of the public service, appeal to the individual conscience of every earnest citizen to whatever party he belongs or in whatever section of the country he may

The extra session of this Congress which closed during July last enacted important legislation, and while its full effect has not yet been realized, what it has already accomplished assures us of its timeline and wisdom. To test its permanent valufurther time will be required, and the people, satisfied with its operation and results thus far, are in no mind to withhold from It a fair trial.

Tariff legislation baving been settled by the extra session of Congress, the ques tion next pressing for consideration is that of the currency

FINANCIAL HISTORY.

The work of putting our finances upor a sound basis, difficult as it may seem will appear easier when we recall the financial operations of the Government since 1866. On the thirtieth day of June of that year we had outstanding demand liabilities in the sum of \$728,868,447.41. On the first of January, 1879, these ha bilities had been reduced to \$143.889, 495.88. Of our interest-bearing obliga tions the figures are even more striking On July 1, 1866, the principal of the in terest bearing debt of the Government was \$2,332,331,268. On the first day of July, 1893, this sum had been reduced to \$585.037,100, or an aggregate reduction of \$1,747.294,108. The interest bearing debt of the United States on the first day of December, 1897, was \$847, 365.620. The Government money no: outstanding (December 1) consists of \$316 681.016 of United States notes, \$107. 793.280 of Treasury notes issued by autherity of the law of 1890, \$384,963,504 of silver certificates, and \$61,280,761 of standard silver dollars.

With the great resources of the Govern ment and with the honorable example of the past before us, we ought not to hesitate to enter upon a currency revision which will make out demand obligations les onerous to the Government and relieve our financial laws from ambiguity and

The brief review of what was accomplished from the close of the war to 1893. makes unreasonable and groundless any distrust either of our financial ability or soundness; while the situation from 1893 to 1897 must admonish Congress of the immediate necessity of so legislating as to make the return of the condit on then prevailing impossible.

Evils of Present System,

There are many plans proposed as remedy for the evil. Before we can find the true remedy we must appreciate the real evil. It is not that our currency of every kind is not good, for every dollar of it is good; good because the Govern ment's pledge is out to keep it so, and that pledge will not be broken. However, the guaranty of our purpose to keep the pledge will be best shown by advancing toward its fulfillment.

The evil of the present system is found in the great cost to the Government of main taining the party of our different forms of money, that is, keeping all of them at par with gold. We surely cannot be longer need less of the burden this imposes upon th people, even under fairly prosperous conditions, while the past four years have dem onstrated that it is not only an expensive charge upon the Government, but a danger ous menace to the National credit.

It is manifest that we must devise some plan to protect the Government against bond saues for repeated redemptions. We mus ither curtail the opportunity for apeculatio nade easy by the multiplied redemptions o our demand obligations, or increase the gold reserve for their redemption. We have \$900,000,000 of currency which the Government by solemn enactment has under taken to keep at par with gold. Notody is liged to redeem in gold but the Government The banks are not required to redoen in gold. The Government is obtiged to keep equal with gold all its outstanding currency and coin obligations, while its receipts are not required to be paid in gold. They are paid in every kind of money but gold, and the only means by which the Government can with certainty get gold is by borrowing. It can get it in no other way when it most needs it. The Government without

any fixed gold revenue is piedged to main-

tain gold redemption, which it has steadily

and faithfully done and which under the

authority now given it will continue to do. The law which requires the Government. after having redeemed its United States notes, to pay them out again as current funds, demands a constant replenishmen of the gold reserve. This is especially so in times of business panic and when the rev enues are insufficient to meet the expenses of the Government. At such times the Government has no other way tosupply its deficit and maintain redemption but through the increase of its bonded debt, as during the Administration of my producessor. when \$262,315,400 of 4 1-2 per cent bonds were issued and sold and the proceeds used to pay the expenses of the Government in excess of the revenues and sustain the gold reserve. While it is true that the greater part of the proceeds of these bonds were used to supply deficient revenues, a con siderable portion was required to maintain the gold reserve.

The Sale of Bonds

With our revenues equal to our expense there would be no deficit requiring the issuance of bonds. But if the gold reserve falls below \$100,000,000, now will ft be replenished except by selling more bonds" Is there any other way practicable under existing law? The serious question then is, shall we continue the policy that has been pursued in the past; that is, when the gold reserve reaches the point of danger issue more bonds and supply the needed gold, or shall we provide other means to prevent these recurring drains upon the gold reserve" If no further legislation is had and the policy of selling bonds is to be continued, then Congress should give the Secretary of the Treasury authority to sell bonds at long or short periods, bearing a less rate of interest than is now author I earnestly recommend as soon as th

receipts of the Government are quite sui ficient to pay all the expenses of the Gov ernment, that when any of the United States notes are presented for redemption in gold and are redeemed in gold, such note shall be kept and set apart, and only page out in exchange for gold. This is an of vious duty. If the bolder of the United States note prefers the gold and gets it from the Government, he should not receiback from the Government a United State note without paying gold in exchange for it. The reason for this is made a the more apparent when the Governmen issues an interest-bearing debt to provid gold for the redemption of United State notes-a non-interest-bearing debt. Sardy it should not paythem out again except of out in any other way they may return again to be followed by another bond issue to redeem them-another interest-bearin lebt to redeem a non-interest-bearing debt In my view, it is of the atmost import ance that the Government should be relieve from the barden of providing all the gol required for exchanges and export. This ernment without any of the usual and necessary banking powers to help itself. The banks do not feel the strain of gold demption. The whole strain rests upor the Government and the size of the gold reserve in the Treasury has come to be with or without reason, the signal of danger or of security. This ought to be stopped.

Secretary Gage's Plan.

If we are to have an era of prosperit; in the country, with sufficient receipts for the expenses of the Government, we may feel no immediate embarrassment from ou present currency; but the danger still ex-ists and will be ever present menacing us so long as the existing system continues. And besides it is in times of ade quate revenues and business tranquillity worst. We cannot avoid without seriou asequences the wise consideration an prompt solution of this question. The Secretary of the Treasury has our

ined a plan in great detail, for the purpos of removing the threatened recurrence of a depleted gold reserve and save us from future embarrassment on that account. To this plan I invite your careful consider

I concur with the Secretary of the Treas ury in his recommendation that nationa banks be allowed to issue notes to the facvalue of the bonds which they have deposited for circulation, and that the tax such bonds be reduced to one-half of one per cent per annum. I also join nim in recommending that authority be given for the establishment of national banks with a minimum capital of \$25,000. This will enable the smaller villages and agricultura regions of the country to be supplied with irrency to meet their needs.

bank notes be restricted to the denomina tion of ten dollars and upwards. If the suggestions I have herein made shall have the approval of Congress, then I would recommend that National banks be reuired to redeem their notes in gold.

THE CUBAN PROBLEM. The most important problem with which this Government is now called upon to deal pertaining to its foreign relations concerns its duty toward Spain and the Cuban insurrection. Problems and conditions more or less in common with those now existing have confronted this Government at various times in the past. The story of Cuba for many years has been one of unrest; growing discontent; an effort toward a larger enjoyment of liberty and self-control; of organized resistance to the mother country; of depression after distress and warfare and of ineffectual settlement to be followed by renewed revolt. For no enduring period since the enfranchisement of the continental possessions. this Government is now called unon to deal pertaining to its foreign relations concerns its duty toward Spain and the Cuban insurrection. Problems and condi-For no enduring period since the enfran-cl-isement of the continental possessions of Spain in the Western continent has the condition of Cuba or the policy of Spain toward Cubs not caused concern to the

The prospect from time to time that the weakness of Spain's hold opon the Island and the political vicissitudes and embar-rassments of the home Government might lead to the transfer of Cuba to a continental power called forth, between 1823 and 1860, us emphatic declarations of the police of the United States to permit no disturb ance of Cuba's connection with Spain unacquisition by us through purchase; nor

for ten years despite the strenuous efforts of the successive peninsular governments o suppress it. Then as now the Government of the United States testified its grave con cere and offered its aid to put an end to bloodshed in Cuba. The overtures made by Geo. Grant were refused and the war dragged on, entailing great loss of life American interests besides throwing enhalleed burdens of neutrality upon this Government. In 1878 peace was brought about by the Truce of Zanjon, obtained by egotiations between the Spanish Commender, Martinez de Campos, and the inurgent leaders.

The present insurrection broke out in February, 1895. It is not my purpose at this time to recall its remarkable increase or to characterize its tenacious resistance against the enormous forces massed against it by Spain. The revolt and the efforts to subdue it carried destruction to every quater of the island, developing wide propor tions and defying the efforts of Spain for its suppression. The civilized code of war has been disregarded, no less so by the Spaniards than by the Cutans.

The existing conditions cannot but fill this Government and the American people with the gravest apprehension. There is no desire on the part of our people to profit by the misfortunes of Spain. We have only the desire to see the Cubans prosperous and contented, enjoying that measure of self-control which is the inalienable right of man, protected in their right to reap the enefit of the exhaustless treasures of their country.

The offer made by my predecessor in April, 1896, tendering the friendly offices of this Government failed. Any mediation on our part was not accepted. In brief the answer read "There is no effectual way to pacify Cuba unless it begins with the actual submission of the rebels to the country." Then only could Spain act in the promised direction, of her own notion and after her own plans.

The cruel policy of concentration was

nitiated February 16, 1896. The productive districts controlled by the Spanish armies were depopulated. The agricul-tural inhabitants were herded in and about the garrison towns, their lands laid waste and their dv ellings destroyed. This policy the late Cabinet of Spain justified as a essary measure of war and as a mean cutting off supplies from the insurgents has utterly failed as a war measure. was not civilized warfare. It was externination.

The Protest of America Against this abuse of the rights of war have felt constrained on repeated occasions to enter the firm and earnest protest of this Government. There was much of public condemnation of the treatment of American citizens by alleged illegal at or pending protracted judicial proceeding I felt it my first duty to make instant de mand for the release or speedy trial of all American citizens under arrest. Before the change of the Spanish Cabinet in October last twenty-two prisoners, citizens of the For the relief of our own citizens suf 'e

ing because of the conflict the aid of Conwas sought in a special messagand under the appropriation of April 4, 1897, effective aid has been given to American citizens in Cuba, many of them at their own request having been returned

The instructions given to our new Minister to Spain before his departure for his post directed him to impress upon that Govern ment the sincere wish of the United States to lend its aid toward the enting of the war in Cuba by reaching a peaceful and lasting result, just and honorable alike to Spain and to the Cuban people. These in structions recited the character and durit entails, the burdens and restraints it imposes upon us, with constant disturb ance of National interests, and the injuresulting from an indefinite continuu of this state of things. It was stated that at this juncture our Government wa constrained to seriously inquire if th time was not ripe when Spain of her own volition, moved by her own interests an every sentiment of humanity should ou a stop to this destructive war and mak proposals of settlement honorable to ber self and just to her Cuban ordeny. It wa urged that as a neighboring nation, with large interests in Cuba, we could be re quired to wait only a reasonable time for the mother country to establish its au the borders of the Island; that we could not contemplate an indefinite period for the accomplishment of this result.

A Better Understanding.

No solution was proposed to which the digitest idea of bumiliation to Spain could attach, and indeed precise proposals were withheld to avoid embarrassment to the Government. All that was asked or ex pected was that some safe way might h speedily provided and permanent peace re stored. It so chanced that the considera tion of this offer, addressed to the same the tenders of my predecessor and which treasure into Cuba in the fruitless effor to suppress the revolt, fell to others. Be tween the departure of General Woodford the new Envoy, and his arrival in Spain the statesman who had shaped the policy of his country fell by the hand of an as late premier still held office and received Cabinet gave place within a few days there after to a new Administration, under the eadership of Sagasta.

The reply to our note was received on th of a better understanding. It appreciate the friendly purposes of this Government It admits that our country is deeply af fected by the war in Cuba and that its de sites for peace are just. It declares that the present Spanish Government is bo in. by every consideration to a change of policy uld satisfy the United States and pacify Cubs within a reasonable time. To this end 8 pain has decided to put into eff set by the present Premier, without halting los any consideration in the path which in its judgment leads to peace. The military operations, it is said, will continue but will be humane and conducted with all regard for private rights, being accompa

War Not to Be Prolonged.

In the absence of a declaration of the measurer that this Government proposes to take in carrying out its profter of good offices it suggests that soam be left free to conduct military operations and grant political reforms, while the United States for its part shall enforce its neutral obtifor its part shall enforce its neutral obli-gations and cut off the assistance which it is asserted the insurgenta receive from this country. The supposition of an in-definite prolongation of the war is denied. It is asserted that the western provinces are already well-nigh reclaimed; that the planting of cane and tobacco therein has been resumed, and that by force of arms and new and ample reforms very early and complete pacification is boped for.

The hamediate an elloration of existing conditions under the new administration of Cuban affairs is predicted, and therewith: I the disturbance and all occasion for any change of attitude on the part of the United States. Discussion of the ques-tion of the international duties and responsibilities of the United States as Spain understands them is presented, with an apparent disposition to charge us with failure in this regard. This charge is without any basis in fact. It could not have been made if Spain had been cog have been made if Spain had been cog nizant of the constant efforts this God ertment has roade at the cost of million and by the employment of the adminis rative machinery of the nation at comto the h w of nations. That it has successfully prevented the departure of single military expedition or armed ves-sel from our sliores in violation of our law. But of this aspect of the Spanish note in s not necessary to speak further now. Firm in the conviction of a wholly performed obligation, due response to this charge has been made in diplomatic course

America's Sovereign Right. Throughout all these horrors and dangers out own peacethis Government hasnever in any way abrogated its sovereign pre ogative of reserving to itself the determ tion of its policy and course according to ts own high sense of right and in cons nance with the dearest interests and con cictions of our own people should the prongation of the strife so demand.

Of the untried measures there remain only Recognition of the insurgents as belligerents recognition of the independence of Cuba neutral intervention to end the war by the contestants, and intervention in favor of one of the other party. I speak not of forcible annexation, for that can not be hought of. That by our code of morality Recognition of the belligerency of the

Cuban insurgents has often been canva sed as a possible if not inevitable step both in regard to the previous ten years' struggle and during the present war. I am not unmindful that the two Houses of Congress the sping of 1896 expressed the opinion by concurrent resolution that a condition ing the recognition of a state of belligerene n Cuba, and during the extra session the Senate voted a joint resolution of like im port, which, however, was not brought to a vote in the flouse of Representatives. In the presence of these significant expres-sions of the sentiment of the Legislative branch it behooves the Executive to soberly posider the conditions under which so in portant a measure must needs rest for estification. It is to be seriously considesses beyond dispute the attributes Statebood which alone can demand the recognition of belligerency in its favor. ession in short of the essential qualifiattons of sovereignty by the insurgents in the conduct of the war by them accor ling to the received code of war are no less im-portant factors toward the determination of the problem of beiligerency than are the ipon the internal polity of the recognizing State.

Grant's Utterances Recalled The wise utterances of President Gr int in memorable message of December 7, 1875, are signally relevant to the present situation in Cuba and it may be whole now to recall them. At that time a rulnou neighboring Island. During all those yearan utter distegard of the laws of civilized warfare and of the just demands of humanity, which called forth expressions of concontinued unabated. Desolation and ruit pervaded that productive region, en affecting the commerce of all commercia nations but that of the United States more larger trade and intercourse. At that june which now as then sum up the elements of "A recognition of the independence of

Cuba being, in my opinion, impracticable and indefensible, the question which next resents itself is that of the recognition of pelligerent rights in the parties to the contest. In a former message to Congress i reached the conclusion that the conflict in Cuba, dreadful and devastating as were itincidents, did not rise to the fearful dignit; of war. * * It is possible that the acts of foreign powers, and even acts of Spain herself, of this very nature, might tion. But now, as in its past history, the United States should carefully avoid the false lights which night lead it into the nates of doubtful law and of questionable propriety, and adhere rigidly and sternly to the rule, which has been its guide, . and of good report. The question of according or of withholding rights of beiliger ency rust be judged in every case, in view of the particular attend Unless justified by necessity, it is always and justly, regarded as an unfriendly act

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wrong direction. Something is needed to check disease and start the system in the right direction

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support to the rebellion. It is necessary, and it is required, when the interests and rights of another government or of its people are so far affected by a pending civil conflict as to require a definition of its relations to the parties thereto. Bu this conflict must be one which will be law as war.

What Constitutes War.

"Pelligerence, too, is a fact. The mere existence of contending armed bodies, and their occasional conflicts, do not consiltute war in the sense referred to. Apply ing to the existing condition of affairs in Cuba the tests recognized by publicists and writers on internationallaw, and which have been observed by nations of dignity. honesty and power, when free from sen sitive or sellish and unworthy motives. fall to find in the insurrection the exist ration, real, palpable and manifest to the world, Laving the forms and capable of the ordinary functions of government toward its own people and to other states, with courts for the administration of justice, with a local habitation, po-sessing such organization of force, such materia such occupation of territory, as to take the contest out of the category of a mere rebellious insurrection, or occasional skir mishes, and place it on the terrible footing of war, to which a recognition of belliger ency would aim to elevate it.

the insurrection has not possessed itself of a single seaport whence it may send forth its flar, nor has it any means of co cation with foreign powers except through the military lines of its adversaries. No apprehension of any of those sudden and difficult complications which a war upon the ocean is apt to precipitate upon the vessels, both commercial and national, and upon the consular officers of other powers, calls for the definition of their relasidered as a question of expediency, I restill to be as unwise and premature, as I regard it to be, at present, indefensible as measure of right. "Such recognition entails upon the coun-

ry according the rights which flow from it difficult and complicated duties, and requires the exaction from the contending parties of the strict observance of their rights and obligations. It confers the right of search upon the high seas by visicis of oth parties; it would subject the carrying nay be transported freely and without inrruption, in vessels of the United States, o detertion and to possible seizure; it would give rise to countless vexation questions, would release the parent gov ernment from responsibility for acts done by the insurgents, and would invest Spain with the right to exercise the supervision ecognized by our treaty of 1795 over our commerce on the high seas, a very large part of which, in its traffic between the Atlantic and the Gulf States, and between all of them and the States on the Pacific bores of Cuba. The exercise of this supervision could scarce fail to lead, in not to abuses, certainly to collisions perilous o the peaceful relations of the two States. There can be little doubt as to what result uch supervision would before long draw this nation. It would be unworthy of th United States to inaugurate the possibilitie f au is result, by measures of questionable right or expediency, or by any indirection

As to Belligerency. Turning to the practical aspects of a

recognition of belligerency and reviewing is inconveniences and positive dancers still further pertinent considerations appear In the code of nations there is a such thing as a naked recognition of beifigerency unaccompanied by the assump-tion of international neutrality. Such recgnition without more will not confer upo either party to a domestic conflict a status of theretofore actually possessed or affect he relation of either party to other States The act of recognition usually takes the form of a solemn proclamation of neu-trality which recites the de facto condition of belligerency as its motive. It announces a domestic law of neutrality in the declaring State. It assumes the international obligations of a neutral in the presence of a public state of war. It warms all citizens and others within the Jurisdiction of the proclaimant that they violate those rigorous obligations at their own peril and canno The right of visit and search on the seas nd seizure of vessels and cargoes and cotraband of war and good prize under ad miralty law must under international law e admitted as a legitimate consequence of a preclamation of belligerency. While according the equal belligerent rights define by public law to each party in our ports disfavors would be imposed on both, which while nominally equal would weigh heavily in behelf of Spain herself. Possessing navy and controlling the ports of Cuba her mutitime rights could be asserted not Island but up to the margin of our own territorial waters, and a condition of things would exist for which the Cubans within their own domain could not hope to create parallel: while its creation through aid of sympaths from within our domain werld additional obligations of international nea-

trality we would perforce assume.

The enforcement of this enlarged and nerous code of neutrality would only be influential within our own jurisdiction b and and sea and applicable by our own in tremcatalities. It could impart to the United States no jurisdiction between Spain and the insurgents. It would give the United States no right of intervention to enforce the conduct of the strife within the paramount authority of Spain ac cording to the international code of war Recognition Is Inadmissible.

For these reasons I regard the recogni ion of the beligerency of the Cuban in irgents as now anwise and therefore admissible. Should that step hereafter duty the Executive will take it. has been frequently suggested and has rot

failed to receive my most anxious and earnest consideration. But should such a step be now taken when it is apparent that a hopeful change has supervened in the pol-ley of Spain toward Cuba? A new govern ment has taken office in the cother country. It is pleafed in advance to the declaration that all the effort in the world cannot suffice to maintain peace in Cuba by the bayonet; that vague promises of reform after subjugation afford no solution of the usular problem: that with a substitution of commanders must come a change of the past system of warfare for one in harmony with a new policy which shall no longer ain todrive the Cubans to the "horrible alterna Things get started in the tive of taking to the thicket or succumping tuted in accordance with the needs and cirforms, while designed to give full auomy to the colony and to create a tir tral entity and self-controlled administration, shall yet conserve and affirm the sov creignty of Spain by a just distribution of powers and burdens upon a basis of mutual nterest untainted by methods of selfish expediency.

The first acts of the new govern ie in these honorable paths. The policy of crucl rapine and extermination that s long shocked the universal sentiment of nandy has been reversed. Under the new inflitary communder a broad clem-ency is proffered. Measures base already een set on foot to relieve the herrors of starvation. The power of the Spanish ar mies it is asserted in to be used not to spread ruin and desolation but to protect

be resumption of peaceful agricultural pur suits and productive industries. That past methods are futile to force a peace by 3-1-jugation is freely admitted, and that ruin

without conciliation must inevitably fail to win for Spain the fidelity of a contented The Scheme of Autonomy. Decrees in application of the foresha-

owed reforms have already been pro-nat gated. The full text of these decrees has not been received, but as furnished in a tel-egraphic summary from our Minister are. All civil and electoral rights of Peninsol of Spaniards are, in virtue of existing constitutional authority, forewith extended a Colonial Spaniards. A scheme of auton omy has been proclaimed by decree, to oe come effective upon rationation Cortes. It creates a Cuban parliament which, with the insular executive, can consider and vote upon all subjects affecting limited powers save as to matters of state. war and then avy as to which the Governor-General acts by his own authority as the delegate of the central government. This ernor-General to preserve fatthfully the lib rties and privileges of the colony, and to it the colonial secretaries are responsible It has the right to propose to the central modifications of the national charter and to invite new projects of law or executive measures in the interest of the colony. Besides its local powers it is comp first, to regulate electoral registration and

procedure and prescribe the qualifications of electors and the manner of exercising suffrage; second, to organize courts of jus tice with native judges from members of the local bar; third, to frame the invitar budget both as to expenditures and teve-nues, without limitation of any kind, and to set apart the revenues to meet the Cuban share of the national budger, which latter will be voted by the national Cortes with the assistance of Cuban senators and deputies: fourth, to initiate or take part in the negotiations of the national government for commercial treaties which may affect Cuban interests: fifth, to accept or reject commercial treaties which the ca tional government may have concluded without the participation of the Cuban rav-ernment; sixth, to frame the colonial tariff, acting in accord with the peninsular government in scheduling articles of mutathe colonies. Before introducing or vehig upon a bill, the Cuban government or the chambers will lay the project before the the eon, all the correspondence in such re-gard being made public. Finally, all conflicts of jurnstiction arising between the different manicipal provincial and insular assembles, or between the latter and the insular executive power, and which from their nature may not be referable to the central government for decision, shall be submitted to the courts.

Spain to Be Given a Chance,

That the Government of Sanasta has ntered upon a course from which reces lonwith honorisimpossible can hardly be ques-tioned; that in the few weeks it has exsted it has made earnest of the sincerity not impuch its sincerity, nor should impu tience be suffered to embarrass it in the task it has undertaken. It is honestidue to Spain and to our friendly relations with Spain that she should be given a reasonable chance to realize her expectation new order of things to which she strads irrevocably committed. She has recalled the Commander whose brutal orders inflamed the American mind and shocked the civilized world. She has modified the orrible order of concentration and has undertaken to care for the helpless and permit those who desire to resume the cultivation of their fields to do so and assures them of the protection of the Spanish Govern ment in their lawful occupations. She ha just released the "Competitor" heretofore sentenced to death and who have been the subject of repeated diplo matic correspondence during both this and the preceding Administration

Not a single American catizen is now in arrest or confinement in Cuba of whom this Government has any knowledge. The near future will demonstrate whether the indispensable condition of a rightcous peace. Just alike to the Cobans and to Spain aswell is equitable to all our interests so s likely to be attained. If not, the exigency of further and other action by the United States will remain to be taken determined in the line of indisputable ight and duty. It will be faced, ut misgiving or besitancy in the light of the obligation this Government owes to itself, to the people who have confided to t the protection of their interests and Sure of the right, keeping from all of-

fense curselves, actuated only by upright and patrotic considerations, moves neither by passion nor selfishness, the Government will continue its watchful care over the rights and property of Ameri an citizens and will abate none of its el forts to bring about by peaceful agencie peace which shall be honorable and en during. If it shall bereafter appear to be a duty imposed by our obligations to our selves, to civilization and humanity to intervene with force, it shall be without fault on our part, and only because the pressity of such action will be so clear around the support and approval of the civilized world.

THE HAWAHAN TREATY

By a special message dated the 16th day of June last, I laid before the Senate reaty signed that day by the plenipo tentiaries of the United States and of the pose the incorporation of the Hawaiian Island as an integral part of the United States and under its sovereignty. The Senate baving removed the injunction secresy, although the treaty is still pending before that body, the subject may be properly referred to in this Message be cause the necessary action of the Congres is required to determine by legislation many details of the eventual union should the fact of annexation be accomplished, a believe it should be.

While consistently disavowing from very car'y period any aggressive policy of absorption in regard to the Hawaiian hree-quarters of a century has proclaimed the vital interest of the United States in the independent life of the Islands and their incimate commercial dependence upor this country. At the same time it has beer epeatedly asserted that in no event could he entity of Hawaiian statebood cease by the passage of the Islands under the domin ion or influence of another power than the United States. Under these circumstances the logic of events required that anne ca-tion, heretofore offered but declined, should

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eness of time come about as the natural result of the strengthening ties that bind us to those Islands and be realized y the free will of the Hawaiian State. Thattrenty was unanimously ratified with-

of the Republic of Hawali on the 10th of September last, and only awaits the favorable action of the American Senate to effect the complete absorption of the Islands into the domain of the United States. What the conditions of such a union shall political relation thereof to the United States, the character of the local administration, the quality and degree of the elective franchise of the inhabitants, the extension of the federal laws to the territory or the enactment of special laws to fit the peculiar condition thereof, the regulation if need be of the labor system therein, are all matters which the treaty has wisely relegated to the Congress. Confirmation Recommended.

if the treaty is confirmed as every consideration of dignity and bonor requires, the wisdom of Congress will see to it that, avoiding abrupt assimilation of elements perhaps hardly yet fitted to share in the niebest franchises of citizenship, and having due regard to the geographical conditions, the most just provisions for self rule n local matters with the largest political iberties as an integral part of our Nation will be accorded to the Hawasians. No less is due to a people who, after nearly five years of demonstrated capacity to fulfill ome of their free will to merge beir lestinies in our body-politic.

The questions which have arisen between

Japan and Hawaii by reason of the treatof Japanese laborers emigrating to the Islands under the Hawaiian-Japanes convention of 1888, are in a satisfactory stage of settlement by negotiation This neat has not been invited to mediate and on the other hand has sought no intervention in that matter. Further than to evince its kindliest disposition toward such a Speed y and direct adjustn ent by the two sovereign states in interest as shall comport with equity and honor. It is gratiying to learn that the apprehensi first displayed on the part of Japan lest be cessation of Bawaii's national life through annexation might impair privileges to white Japan honorably laid claim, have given place to confidence in the upright essel this Government, and in the sincerity of its purpose to deal with all possible terior questions in the broadest spirit of riend liness.

As to the representation of this Govern

ment to Nicaragus, Salvador and Costa Rica, I have concluded that Mr. William L. Merry, confirmed as Minister of the United States to the States of Nicaragua. Salvador and Costa Rica, shall proceed to San Jose, Costa Rica, and there temporarily establish the headquarters of the United States to those three States. I took this action for what I regarded as the paramou interests of this country. It was developed upon an investigation by the Secretary of State that the Government of Nicarigan, while not unwilling to receive Mr. Merry in his diplomatic quality, was unable to do so because of the compact concluded June of Salvador and Honduras, forming what is known as the Greater Republic of Central America, had surrendered to the represents tive Diet thereof their right to receive and

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